

**(f) Additional requirements by corporation for protection of interests of plan participants, beneficiaries and corporation; approval by corporation of transfer of assets or liabilities to single-employer plan from plan in reorganization; covered transfers in connection with termination**

(1) The corporation may prescribe by regulation such additional requirements with respect to the transfer of assets or liabilities as may be necessary to protect the interests of plan participants and beneficiaries and the corporation.

(2) Except as otherwise determined by the corporation, a transfer of assets or liabilities to a single-employer plan from a plan in reorganization under section 1421<sup>1</sup> of this title is not effective unless the corporation approves such transfer.

(3) No transfer to which this section applies, in connection with a termination described in section 1341a(a)(2) of this title shall be effective unless the transfer meets such requirements as may be established by the corporation to prevent an increase in the risk of loss to the corporation.

(Pub. L. 93-406, title IV, § 4232, as added Pub. L. 96-364, title I, § 104(2), Sept. 26, 1980, 94 Stat. 1245.)

**Editorial Notes**

**REFERENCES IN TEXT**

Section 1421 of this title, referred to in subsec. (f)(2), was repealed by Pub. L. 113-235, div. O, title I, § 108(a)(1), Dec. 16, 2014, 128 Stat. 2786.

**§ 1413. Partitions of eligible multiemployer plans**

**(a) Authority of corporation**

(1) Upon the application by the plan sponsor of an eligible multiemployer plan for a partition of the plan, the corporation may order a partition of the plan in accordance with this section. The corporation shall make a determination regarding the application not later than 270 days after the date such application was filed (or, if later, the date such application was completed) in accordance with regulations promulgated by the corporation.

(2) Not later than 30 days after submitting an application for partition of a plan under paragraph (1), the plan sponsor of the plan shall notify the participants and beneficiaries of such application, in the form and manner prescribed by regulations issued by the corporation.

**(b) Eligible multiemployer plans**

For purposes of this section, a multiemployer plan is an eligible multiemployer plan if—

(1) the plan is in critical and declining status (as defined in section 1085(b)(4) of this title);

(2) the corporation determines, after consultation with the Participant and Plan Sponsor Advocate selected under section 1304 of this title, that the plan sponsor has taken (or is taking concurrently with an application for partition) all reasonable measures to avoid insolvency, including the maximum benefit sus-

pensions under section 1085(e)(9) of this title, if applicable;

(3) the corporation reasonably expects that—

(A) a partition of the plan will reduce the corporation's expected long-term loss with respect to the plan; and

(B) a partition of the plan is necessary for the plan to remain solvent;

(4) the corporation certifies to Congress that its ability to meet existing financial assistance obligations to other plans (including any liabilities associated with multiemployer plans that are insolvent or that are projected to become insolvent within 10 years) will not be impaired by such partition; and

(5) the cost to the corporation arising from such partition is paid exclusively from the fund for basic benefits guaranteed for multi-employer plans.

**(c) Transfer of liabilities**

The corporation's partition order shall provide for a transfer to the plan referenced in subsection (d)(1) of the minimum amount of the plan's liabilities necessary for the plan to remain solvent.

**(d) Plans created by partition orders**

(1) The plan created by the partition order is a successor plan to which section 1322a of this title applies.

(2) The plan sponsor of an eligible multiemployer plan prior to the partition and the administrator of such plan shall be the plan sponsor and the administrator, respectively, of the plan created by the partition order.

(3) In the event an employer withdraws from the plan that was partitioned within ten years following the date of the partition order, withdrawal liability shall be computed under section 1381 of this title with respect to both the plan that was partitioned and the plan created by the partition order. If the withdrawal occurs more than ten years after the date of the partition order, withdrawal liability shall be computed under section 1381 of this title only with respect to the plan that was partitioned (and not with respect to the plan created by the partition order).

**(e) Payment of benefits and premiums for beneficiaries of partitioned plans**

(1) For each participant or beneficiary of the plan whose benefit was transferred to the plan created by the partition order pursuant to a partition, the plan that was partitioned shall pay a monthly benefit to such participant or beneficiary for each month in which such benefit is in pay status following the effective date of such partition in an amount equal to the excess of—

(A) the monthly benefit that would be paid to such participant or beneficiary for such month under the terms of the plan (taking into account benefit suspensions under section 1085(e)(9) of this title and any plan amendments following the effective date of such partition) if the partition had not occurred, over

(B) the monthly benefit for such participant or beneficiary which is guaranteed under section 1322a of this title.

(2) In any case in which a plan provides a benefit improvement (as defined in section

<sup>1</sup> See References in Text note below.

1085(e)(9)(E)(vi) of this title) that takes effect after the effective date of the partition, the plan shall pay to the corporation for each year during the 10-year period following the partition effective date, an annual amount equal to the lesser of—

(A) the total value of the increase in benefit payments for such year that is attributable to the benefit improvement, or

(B) the total benefit payments from the plan created by the partition for such year.

Such payment shall be made at the time of, and in addition to, any other premium imposed by the corporation under this subchapter.

(3) The plan that was partitioned shall pay the premiums imposed by the corporation under this subchapter with respect to participants whose benefits were transferred to the plan created by the partition order for each year during the 10-year period following the partition effective date.

**(f) Notice of partition orders to Congress**

Not later than 14 days after the partition order, the corporation shall provide notice of such order to the Committee on Education and the Workforce of the House of Representatives, the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committee on Health, Education, Labor, and Pensions of the Senate, and any affected participants or beneficiaries.

(Pub. L. 93-406, title IV, § 4233, as added Pub. L. 96-364, title I, § 104(2), Sept. 26, 1980, 94 Stat. 1246; amended Pub. L. 113-235, div. O, title I, § 122(a)(1), Dec. 16, 2014, 128 Stat. 2795.)

**Editorial Notes**

**AMENDMENTS**

2014—Pub. L. 113-235 amended section generally. Prior to amendment, section related to partition of multiemployer plans.

**Statutory Notes and Related Subsidiaries**

**CHANGE OF NAME**

Committee on Education and the Workforce of House of Representatives changed to Committee on Education and Labor of House of Representatives by House Resolution No. 6, One Hundred Sixteenth Congress, Jan. 9, 2019.

**EFFECTIVE DATE 2014 AMENDMENT**

Pub. L. 113-235, div. O, title I, § 122(b), Dec. 16, 2014, 128 Stat. 2796, provided that: “The amendments made by this section [amending this section] shall apply with respect to plan years beginning after December 31, 2014.”

**§ 1414. Asset transfer rules**

**(a) Applicability and scope**

A transfer of assets from a multiemployer plan to another plan shall comply with asset-transfer rules which shall be adopted by the multiemployer plan and which—

(1) do not unreasonably restrict the transfer of plan assets in connection with the transfer of plan liabilities, and

(2) operate and are applied uniformly with respect to each proposed transfer, except that

the rules may provide for reasonable variations taking into account the potential financial impact of a proposed transfer on the multiemployer plan.

Plan rules authorizing asset transfers consistent with the requirements of section 1412(c)(3) of this title shall be considered to satisfy the requirements of this subsection.

**(b) Exemption of de minimis transfers**

The corporation shall prescribe regulations which exempt de minimis transfers of assets from the requirements of this part.

**(c) Written reciprocity agreements**

This part shall not apply to transfers of assets pursuant to written reciprocity agreements, except to the extent provided in regulations prescribed by the corporation.

(Pub. L. 93-406, title IV, § 4234, as added Pub. L. 96-364, title I, § 104(2), Sept. 26, 1980, 94 Stat. 1247.)

**§ 1415. Transfers pursuant to change in bargaining representative**

**(a) Authority to transfer from old plan to new plan pursuant to employee participation in another multiemployer plan after certified change of representative**

In any case in which an employer has completely or partially withdrawn from a multiemployer plan (hereafter in this section referred to as the “old plan”) as a result of a certified change of collective bargaining representative occurring after September 25, 1980, if participants of the old plan who are employed by the employer will, as a result of that change, participate in another multiemployer plan (hereafter in this section referred to as the “new plan”), the old plan shall transfer assets and liabilities to the new plan in accordance with this section.

**(b) Notification by employer of plan sponsor of old plan; notification by plan sponsor of old plan of employer and plan sponsor of new plan; appeal by new plan to prevent transfer; further proceedings**

(1) The employer shall notify the plan sponsor of the old plan of a change in multiemployer plan participation described in subsection (a) no later than 30 days after the employer determines that the change will occur.

(2) The plan sponsor of the old plan shall—

(A) notify the employer of—

(i) the amount of the employer’s withdrawal liability determined under part 1 of this subtitle with respect to the withdrawal,

(ii) the old plan’s intent to transfer to the new plan the nonforfeitable benefits of the employees who are no longer working in covered service under the old plan as a result of the change of bargaining representative, and

(iii) the amount of assets and liabilities which are to be transferred to the new plan, and

(B) notify the plan sponsor of the new plan of the benefits, assets, and liabilities which will be transferred to the new plan.

(3) Within 60 days after receipt of the notice described in paragraph (2)(B), the new plan may